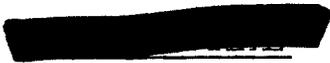


MEMORANDUM

INFORMATION <sup>760</sup> 4012

NATIONAL SECURITY COUNCIL

July 12, 1976

  
MEMORANDUM FOR: BRENT SCOWCROFT  
FROM: DAVID ELLIOTT  
ROBERT OAKLEY  
SUBJECT: Kissinger's Interim Decisions  
Regarding Pakistan's Nuclear Acquisition

As you know, options were prepared by State for HAK on what we might do next, now that Bhutto has rejected the President's request that Pakistan forgo acquisition of the French nuclear reprocessing plant.

The recommended option was that Bhutto be told that no military aid (particularly A-7s) would be considered until Pakistan cancelled the reprocessing plant contract. Further, (with the exception of P/M) it was recommended that the Shah's help be enlisted to offer Pakistan a part in Iran's future multinational reprocessing plant as a substitute for a Pakistan national plant. The purpose of this was to give the Shah something he could offer Bhutto in order to mitigate the impact of Iranian pressure on Pakistan not to acquire a national facility.

The Secretary had a high level meeting in State on Friday (which we could have usefully attended if invited), and made a number of interim decisions on this issue. In summary, he said:

- He is displeased that conventional arms deliveries to Pakistan are being held up rather than expedited and ordered Atherton to get them moving as rapidly as possible. The only item on which the Secretary wishes to place political hold is the A-7. [Comment: No major items are being held up except for the bill to Congress on the Gearing Class DDs; a few minor items are delayed owing to administrative rather than political reasons.]
- He does not want to sponsor an Iran multinational plant as a quid pro quo for Pakistan cancellation of its planned plant. This, inter alia, would be inconsistent with his recent demarche to the FRG objecting to their possible provision of a reprocessing plant to Iran in the near term. Furthermore, the U.S. does not have a really legitimate basis on which to object to

[REDACTED]

Pakistan wanting to reprocess its fuel in its own country. The multinational reprocessing concept is proving much less attractive than he earlier believed. [Comment: This is the second time in recent weeks that HAK has made this last statement. He indicated in an earlier meeting that the concept is a "fraud" since there are virtually no locations where either we or the host are really prepared to approve. There is obviously some misunderstanding of the concept on his part, since the FRG/Iran approach which he tends to support -- see below -- is in fact one version of multinationality which we had proposed from the outset. ]

- Upon closer examination, the FRG/IRAN agreement is not objectionable since it explicitly delays acquisition of reprocessing in Iran until a number of reactors are operating (the 1990 era) and until reprocessing is economically justified. And any eventual plant will involve German joint ownership and operation (the minimum but acceptable multinational involvement). [Comment: We agree with HAK's view. The main State rationale for telling Von Staden that the U.S. objects to the reprocessing aspects of the FRG/Iran agreement was an effort by P/M and ACDA to guard the Administration's record position against a possible media and Congressional convulsion of criticism over the deal -- which has failed to materialize, at least thus far. ]
  
- We should look at the possibility of encouraging a France/Pakistan nuclear arrangement along the lines of the FRG/Iran deal. Namely, France would sell reactors to Pakistan now and postpone a reprocessing plant for 15-25 years, and then require its co-ownership. We should help this proposition by offering some U.S. components for the French reactors and favorable Ex-Im financing. It would be hoped that this would "buy off" the French, since they won't lose any business now. (In fact, since reactors cost much more, France -- though not the reprocessing company per se -- could make more money.) [Comment: This proposal is very interesting and would essentially meet our non-proliferation objectives. Since, however, France is already perfectly free to sell reactors to Pakistan, neither France nor Pakistan may perceive this as a new element. But it is certainly worth pursuing. ]
  
- To sweeten this deal for Pakistan, HAK would offer A-7s in exchange for agreeing to this new approach. [Comment: Presumably he means that the Administration would make a maximum effort to obtain favorable Congressional action. ]



- [REDACTED]
- He will pursue these questions with Bhutto when visiting Islamabad in August.
  - We will also consult the Canadians to inform them of where things stand, tell them we wish to work in concert on the Pakistani nuclear problem, and promise to be back in touch when HAK returns from his trip.

Summary Comment

It is not clear that this new approach will offer the French and the Paks enough of a carrot (i. e., USG agreement to facilitate early reactor sales, withdraw our objection to eventual reprocessing along the lines of the FRG/Iran agreement, and A-7s) or a stick (i. e., withhold approval for the A-7, though continuing with other military equipment) to modify their present agreement on an early reprocessing facility. Pakistan clearly wants to have, in the near term, a nuclear capability comparable to that of India, including the possibility of making a nuclear explosive device. It is a proposal worth putting to Bhutto, particularly with the Secretary's persuasive personal touch. But if it does not sell, the French deal will be very far down the road and even more difficult to block.

The Germans have very informally suggested that a quadripartite reprocessing plant might be constructed in Iran, involving the U.S., FRG, France, and Iran. State has not pursued this because we might stimulate a plant in Iran earlier than otherwise. If HAK's above proposals are not effective, however, because Pakistan claims to need reprocessing and will not accept a long delay in acquiring that capability, we might reconsider the quadripartite approach as offering the Paks a nearby plant where they can receive reprocessing services or even become a partner.